



The Pearl Initiative (PI) is the Gulf region's leading business-led, non-profit organization established in 2010 by regional business leaders in cooperation with the United Nations Office for Partnerships.

PI promotes the business case for a corporate culture of accountability and transparency across a wide variety of stakeholders including MNCs, Family businesses, SMEs, Tech entities, youth through different programmes and initiatives. PI recently launched its Governance in Tech programme with the aim of raising awareness amongst tech entities within the Gulf region of the benefits of strong and innovative corporate governance capabilities.

**In 2022 PI is looking at hosting a series of roundtable discussions** with FinTech executives and entrepreneurs across the Gulf region as we continue to develop and implement a set of activities for the tech ecosystem with the goal of enhancing the competitiveness and sustainability of tech companies and startups and by providing a practical approach to corporate governance that is robust, flexible, and simple to adopt regardless of what stage of maturity the company is.

Pearl Initiative (PI) in collaboration with the Islamic Corporation for the Development of the Private Sector (ICD) in Saudi Arabia and DIFC FinTech Hive organised an exclusive discussion on Challenges to Effective corporate governance for FinTechs.

Led by our expert speakers Walid Dib, Co-founder Hala Insurance, Deepak Sekar, Co-Founder and CEO of Efunder Technologies Limited, and Muhammad Ashfaq Ur-Rehman, Founder & CEO, Finmaal focused on why governance plays a key part in building, scaling, and sustaining any fintech company. The speakers shared the governance journey within their own businesses and shared key insights and tips with the attendees.

**Our speakers shared the following insights during the session:**

- Corporate governance is paramount for tech companies as a strong board, and clear vision keeps the management accountable and ensures effective compliance and governance practices are followed and in turn generates trust with stakeholders
- Effective corporate governance structures allow board members to be an active part of decision making and make up the DNA for start-ups and MSME's
- Investors look for corporate governance practices in the initial stages especially as it is the building block for a successful business
- Every startup is different in the way they operate, having the foresight to build policies that the company needs in the early stages is critical to the growth of the company
- One of the most recommended ways to ensure effective governance practices are followed in the company is to train employees, track practices and policies followed and report regularly
- Speakers also highlighted that corporate governance is dealing with management and who has the responsibility of running the company vs dealing with shareholders who provide the capital
- A key insight shared was, 'Culture eats strategy for breakfast' – if the culture is toxic then policies and procedures will not survive. Therefore, corporate governance needs to be embedded in the culture of the organization.

When the attendees were asked to respond to 1 big aspiration to further Corporate Governance in their company some of the responses were

- Developing a culture of transparency
- Attracting quality and experienced team members/advisors/Board of Directors etc.
- Creating the correct culture within the team to follow every day
- Moving from theory to implementation – repetitive discussion so we need practical implementation now
- Re-energize the idea of Corporate Governance in the company
- Spread awareness about CG so everyone is working in the same direction
- Benchmarking to see if corporate governance structures are working or not and where?
- Better communication with the top management
- Availability of frameworks to measure and track corporate governance practices in the company, thus refining the practices regularly.